GOVERNMENT OF INDIA
LABOUR AND EMPLOYMENT
LOK SABHA

UNSTARRED QUESTION NO:130
ANSWERED ON:17.07.2017
Reduction in Mandatory EPF Contribution
Gavit Dr. Heena Vijaykumar;Jayadevan Shri C. N.;Jayavardhan Dr. Jayakumar;Mahadik Shri Dhananjay Bhimrao;Patil Shri Vijaysinh Mohite;Satav Shri Rajeev Shankarrao;Sule Smt. Supriya Sadanand;Sundaram Shri P.R.

Will the Minister of LABOUR AND EMPLOYMENT be pleased to state:

(a)whether the Government proposes to reduce employees as well as employers contribution to Employees Provident Fund from 12% to 10%;
(b)if so, the details thereof and the reasons therefor along with the objective behind the move;
(c)whether the representatives of employees unions, employers unions and the State Governments have strongly opposed the said proposal;
(d)if so, the details thereof and the response of the Government thereto; and
(e)the other steps taken by the Government to bring EPFO contribution at par with other savings instruments like the National Pension Scheme?

Answer

MINISTER OF STATE (IC) FOR LABOUR AND EMPLOYMENT
(SHRI BANDARU DATTATREYA)

(a) to (e): With a view to bring contribution under Employees' Provident Funds and Miscellaneous Provisions (EPF & MP) Act, 1952 to be paid by employer and employee at par with other savings instruments like the National Pension System, Contributory Provident Fund, etc., an agenda item for lowering the rate of contribution from the present 12 per cent to 10 per cent was deliberated in the 218th meeting of the Central Board of Trustees (CBT), Employees' Provident Fund (EPF) held on 27.05.2017. All employees' and employers' representatives and State Government representatives were against reducing the rate of contribution from 12 per cent to 10 per cent.

******